



GARY R. HERBERT  
Governor

SPENCER J. COX  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

November 24, 2015

Certified Return Receipt  
7013 3020 0002 3659 6474

Travelers Casualty and Surety Company of America  
205 Lennon Lane, Suite 201  
Walnut Creek, California 94598

Subject: Cancellation of Surety Bond Number American Gilsonite Company,  
Bonanza Mine, M/047/0010, Uintah County, Utah

Dear Sir or Madame:

The Utah Division of Oil, Gas and Mining (Division) received your letter dated November 17, 2015, regarding cancellation of surety bond number in the amount of \$324,900.00 effective February 20, 2016. The mine operator, American Gilsonite Company, is being advised that a replacement surety must be provided by January 19, 2016.

Under the terms of the above referenced surety bond, Travelers Casualty and Surety Company of America (Travelers) remains liable for reclamation of the existing disturbance. If the surety is not replaced by January 19, 2016, the Division will immediately issue a cessation order to American Gilsonite Company and demand that it commence reclamation. Failure of American Gilsonite Company to reclaim the mine within 30 days of issuance of the cessation order may result in the Division making demand on Travelers to either proceed with reclamation or to pay to the Division the amount of the bond. If Travelers fails to complete reclamation or make payment as requested, the Division may proceed to file a Request for Agency Action with the Board of Oil, Gas and Mining to seek forfeiture of the bond.

Please confirm that you remain responsible as surety for the reclamation of the existing disturbance. Please advise the Division immediately if there is any reason or if any conditions arise that may preclude you from continuing as surety for reclamation of the existing disturbance.

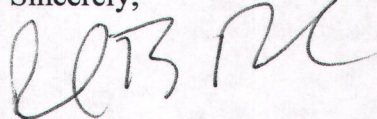




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Travelers Casualty and Surety Company of America  
M047/0010  
November 24, 2015

Thank you for your cooperation. If you have any questions, please feel free to call me at 801-538-5261.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Baker'.

Paul Baker  
Minerals Program Manager

PBB:pb

Enclosure Letter to operator dated November 24, 2015 and copy of surety

Cc: Nicolas Lott, American Gilsonite

Jerry Mansfield, SITLA ([jmansfield@utah.gov](mailto:jmansfield@utah.gov))

Vaughn Hughes, Vernal BLM ([vhughes@blm.gov](mailto:vhughes@blm.gov))

Stan Perkes, BLM SO ([sperkes@blm.gov](mailto:sperkes@blm.gov))

Melissa Reynolds and John Robinson, Assistant Attorneys General ([jrobinson@utah.gov](mailto:jrobinson@utah.gov), [mreynolds@utah.gov](mailto:mreynolds@utah.gov))

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